UNITED
NATIONS

A

General Assembly

Distr.
LIMITED

A/C.5/46/L.3
18 November 1991

ORIGINAL: ENGLISH

Forty-sixth session
FIFTH COMMITTEE
Agenda item 104

FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS

Draft resolution submitted by the Vice-Chairman following informal consultations

The General Assembly,

Having considered the financial reports and audited financial statements of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, 1/ the United Nations Institute for Training and Research, 2/ the voluntary funds administered by the United Nations High Commissioner for Refugees, 3/ for the year ended 31 December 1990, and the interim reports for the first year of the biennium 1990-1991 on the United Nations Development Programme, 4/ the United Nations Population Fund 5/ and the International Trade Centre, 6/ the reports and audit opinions of the Board of Auditors, the concise summary of principal findings, conclusions and recommendations for

---

1/ Official Records of the General Assembly, Forty-sixth Session, Supplement No. 5 C (A/46/5/Add.3).

2/ Ibid., Supplement No. 5 D (A/46/5/Add.4).

3/ Ibid., Supplement No. 5 E (A/46/5/Add.5).

4/ A/46/5/Add.1.

5/ Ibid., Supplement No. 5 G (A/46/5/Add.7).

6/ Official Records of the General Assembly, Forty-sixth Session, Supplement No. 5 (A/46/5), vol. II.

remedial action of the Board of Auditors 7/ and the report of the Advisory Committee on Administrative and Budgetary Questions, 8/

Having discussed the interim study on the need for the development of accounting standards to be applied in the United Nations system, 9/ which was requested by the General Assembly in its resolution 45/235 of 21 December 1990,

Recognizing the progress made in the implementation of General Assembly resolution 45/235,

Noting with appreciation the steps taken by the executive heads and governing bodies of the United Nations organizations and programmes to give appropriate consideration and attention to the audit reports,

Taking into consideration the views expressed by delegations, by the Board of Auditors, by the Advisory Committee and by representatives of the United Nations organizations and programmes during the debate in the Fifth Committee on this item, and the widely expressed support for measures to improve the efficiency, management, financial accountability and budgetary control of the United Nations organizations and programmes concerned,

1. Accepts the financial reports and audited financial statements and the audit opinions and reports of the Board of Auditors regarding the aforementioned organizations;

2. Endorses all recommendations and observations of the Advisory Committee on Administrative and Budgetary Questions, and approves all of the recommendations and observations of the Board of Auditors in which the Advisory Committee has concurred, subject to the provisions of the present resolution, taking into account the views expressed by Member States in the Fifth Committee;

3. Endorses the recommendations of the Panel of External Auditors on the interim study, 9/ and requests the Secretary-General, taking into account the observations and recommendations of the Advisory Committee in its report, 10/ to appoint a consultant from within existing resources to propose a set of accounting standards for common application to the United Nations system, and to report thereon to the General Assembly at its forty-seventh session;

7/ A/46/298.

8/ A/46/510.

9/ A/46/341.

10/ A/46/546.

4. Requests the Board of Auditors and the Advisory Committee to continue to cover, in their review of organizations and programmes, including peace-keeping operations, the areas relating to the efficiency and effectiveness of the financial procedures and controls, the accounting system and related administrative and management aspects in accordance with regulation 12.5 of the Financial Regulations of the United Nations and to recommend measures, as appropriate, to strengthen financial and management controls and to standardize the financial reporting of the organizations;

5. Recommends that all future reports of the Board of Auditors continue to include separate sections that contain a summary of recommendations for corrective action to be taken by the United Nations organizations and programmes concerned, with an indication of relative urgency;

6. Requests the Secretary-General and the executive heads of agencies to submit to the General Assembly at its forty-seventh session a timetable for remedial action on the recommendations by the Board of Auditors referred to in paragraph 5;

7. Encourages the Board of Auditors to carry out its audits in a comprehensive manner in response to paragraph 13 of General Assembly resolution 44/183 of 19 December 1989 and to paragraph 23 of General Assembly resolution 45/235;

8. Invites the Board of Auditors to continue the practice of issuing a special report for United Nations organizations audited on a biennial basis during the first year of each biennium through the Advisory Committee, if in the opinion of the Board there are matters that need to be brought to the attention of the governing bodies and/or the General Assembly;

9. Requests the Board of Auditors to ensure regular audit coverage of all extrabudgetary expenditures, including the various trust funds managed by the Secretary-General or the executive heads of United Nations organizations and programmes;

10. Invites the governing bodies of organizations and programmes for which audited financial statements or interim reports have been considered by the General Assembly to ensure that full consideration is given to the reports of the Board of Auditors and the Advisory Committee and the comments made thereon in the Fifth Committee with a view to taking appropriate remedial measures;

11. Welcomes the review of the Board of Auditors of the liquidity positions of United Nations organizations, and requests the Board to conduct a further review, bearing in mind that the information should be presented in a standardized format;

12. Recommends that the Board of Auditors continue to submit to the General Assembly a concise document summarizing its principal findings, conclusions and recommendations of common interest, classified by audit area and, where appropriate, identifying the audited organization;

13. Urges the United Nations Development Programme and United Nations organizations designated as executing agencies of the Programme, expeditiously to conclude standard basic executing agencies agreements and to ensure that these agreements, including existing agreements, provide for appropriate accountability with regard to Programme funds;

14. Expresses concern about continued qualified opinions by the Board of Auditors on the financial statements of the United Nations Development Programme and the United Nations Population Fund;

15. Requests the Governing Council of the United Nations Development Programme to require the executive heads of the Programme and the United Nations Population Fund:

(a) To intensify vigorously their efforts to correct or improve the conditions that gave rise to the qualification of audit opinions of the Board of Auditors;

(b) To issue and implement comprehensive and specific guidelines in order to delineate appropriately programme expenditure, programme support and administrative expenditures;

16. Requests the Administrator of the United Nations Development Programme to take appropriate measures to improve budget management and to ensure timely completion of projects executed by the Office for Project Services and to report thereon to the General Assembly at its forty-seventh session through the Governing Council of the Programme;

17. Endorses the recommendations by the Board of Auditors and the Advisory Committee with regard to the administrative system of the International Trade Centre, and requests the Secretary-General and the Executive Director of the Centre to reach agreement on suitable administrative arrangements by the end of 1991, and requests the Secretary-General to report thereon to the General Assembly at its forty-seventh session;

18. Urges the Secretary-General and the executive heads of the United Nations organizations and programmes:

(a) To submit to the General Assembly at its forty-seventh session, through their respective governing bodies, detailed progress reports on steps taken to implement previous recommendations of the Board of Auditors and the related recommendations of the Advisory Committee and to explain if any of those recommendations have not yet been implemented, and requests the Board and the Advisory Committee to evaluate the efficacy of those measures and to report thereon to the Assembly at its forty-seventh session;

(b) To report to the General Assembly at its forty-seventh session through their respective governing bodies on the implementation of effective measures to facilitate reporting by staff members on a confidential basis with due regard to considerations of privacy, of any inappropriate use of the resources of a United Nations organization or programme;

(c) To implement stringent inventory controls on non-expendable property;

(d) To institute without delay more effective control on the payment of all allowances and benefits to staff members and to report on the progress achieved in this regard to the General Assembly at its forty-seventh session through their respective governing bodies;

19. Draws the attention of the Secretary-General and the executive heads of the United Nations organizations and programmes to paragraph 3 of the Annex to the Financial Regulations regarding the provision of information which is classified as confidential;

20. Reaffirms the importance of strict compliance with financial regulations and rules on the subject of unliquidated obligations;

21. Requests the Secretary-General to submit, in the light of his experience in implementing the new budget process and in the context of the views expressed by delegations, and of the observations and recommendations of the Board of Auditors, 11/ and the Advisory Committee, 12/ and the problems referred to in the report of the Secretary-General, 13/ particularly in paragraph 12, a report to the General Assembly at its forty-seventh session concerning the way in which year-end obligations relating to expenditures on equipment and on multi-year obligations should be dealt with;

22. Expresses its appreciation to the Secretary-General for the steps taken to eliminate abuses in the payment of income tax reimbursements, and requests the Secretary-General to continue efforts to recover outstanding excess income tax reimbursements and report thereon to the General Assembly at its forty-seventh session, and requests the executive heads of other organizations and programmes to do the same;

23. Requests the Board of Auditors to ensure regular audit coverage of the accounts of the various peace-keeping and special missions;

24. Requests the executive heads of the United Nations organizations and programmes to ensure that expenditures do not exceed the level of funds provided under allotments, in accordance with the Financial Rules.

11/ Official Records of the General Assembly, Forty-fifth Session, Supplement No. 5 (A/45/5), vol. I, paras. 63-67.

12/ A/46/601.

13/ A/46/404.